

California Carpet Stewardship Plan



Background

- •2014 Annual Report found noncompliant in Sept 2015
- •CARE Plan, Addendum #2 partial, conditional approval in Oct 2015
- CARE Plan, Addendum #3 staff recommending provisional approval



Key Finding 1: no meaningful and continuous improvement

<u>CARE's Response</u>: assessment & incentives, outreach & market development, new grant program

<u>Staff Recommendation</u>: provisional approval contingent upon actions leading to continuous and meaningful improvement

<u>Recommended Additional Actions</u>: monitor markets and effectiveness of increased incentives; engagement with Council



Key Finding 2: insufficient access to recycling services

CARE's Response: I funding for rural program and provide recycling access in 58 counties by June 2017

Recommended Additional Actions: engage Council, develop targeted strategy for 2017 Plan



Key Finding 3: education and outreach lacking

<u>CARE's Response</u>: CARE proposes the following actions:

- identify evaluation metrics;
- develop "Marketing Plan";
- double CA staffing and marketing budget;
- contact 50% of retailers in 2016;
- develop an economic tool



Key Finding 3 (cont)

<u>Staff Recommendation</u>: grant program approved, provisional approval of other items

Recommended Additional Actions:

- prioritize tasks to stimulate markets
- I use of recycled carpet materials and purchase of postconsumer carpet products
- assistance to CA processors
- resources for outreach
- implement more robust market development plan



Key Finding 4: definition of "processor" modified from the approved Plan

<u>CARE's Response</u>: acknowledges the error and commits to use consistent definitions

Staff Recommendation: approval

Recommended Additional Actions: none



Key Finding 5: slow response to market changes

<u>CARE's Response</u>: reserve target; adopt monthly reporting; streamline decision making; develop economic modeling tool

Recommended Additional Actions: regularly monitor and report on the financial well-being of program participants, ensure economic study explicitly estimates assessment/incentive levels needed to overcome market impediments



Key Finding 6: consider tiered assessment

CARE's Response: assessment to 20¢, Type 1 base payout from 6 to 10¢, requested authority to adjust assessment and incentives

Staff Recommendation: provisional approval;

assessment April 1 or later

Recommended Additional Actions: strengthen fraud prevention strategies



Stakeholder Comments

- incentive for nylon commercial broadloom;
- establish recycled nylon incentive for "Tier 2" manufacturers using recycled carpet fiber in other products;
- incentives for low ash nylon recycled output;
- extend incentive guarantee to 3 years;
- don't assessment prior to April 1, 2016.



Options and Recommendation

■ Approve Addendum #3



Disapprove Addendum #3



2017 Plan – Key Dates	
Council Meeting #1 (Q1 2016)	Jan – Feb 2016
Internal Plan Development, Strategic Planning, Analysis & Content Development	Jan – July 2016
Webinars & Other Stakeholder Engagement	Feb – May 2016
Economic Model Development	Feb – May 2016
Council Meeting #2 (Q2 2016)	April – May 2016
Plan Refinement, Final Reviews	July 2016 – Aug 2016
Submission to CalRecycle	Aug 2016
CalRecycle Consideration at Public Meeting	Sept 20 th or Oct 18 th 2016
Follow-up Action by CARE (if needed)	Sept – Nov 2016
CalRecycle Consideration at Public Meeting	Nov 15 th or Dec 20 th 2016





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www.calrecycle.ca.gov/carpet

Fareed Ferhut, Faridoon.ferhut@calrecycle.ca.gov, 916-341-6482

Jim Hill, Jim.Hill@calrecycle.ca.gov, 916-341-6615